

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
GLOBAL PLUS 3 CONTRACTS (MC2016-152)
NEGOTIATED SERVICE AGREEMENTS

Docket No. CP2016-196

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**
(June 29, 2016)

The United States Postal Service (Postal Service) hereby provides its response to Chairman's Information Request No. 1, which the Postal Regulatory Commission (Commission) filed in this docket on June 29, 2016. A response was due no later than July 6, 2016. The question in the request is reprinted verbatim in the attached, followed by the Postal Service's response.

The Postal Service also considers that this concerns an urgent matter.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel
Global Business and Service Development

Christopher C. Meyerson
Kyle Coppin
Attorneys

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-2368; Fax -5628
Kyle.R.Coppin@usps.gov

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 1

The Postal Service seeks to modify a Global Plus 3 negotiated service agreement (Agreement).¹ To clarify the Notice, the Postal Service is requested to provide a written response to the following request. The response is due no later than July 6, 2016.

In Order No. 3378, the Commission approved the use of the Agreement to serve as the baseline in future tests of functional equivalency for Global Plus 3 contracts.² Please confirm whether the Postal Service intends for Article 44 to be incorporated into the baseline agreement for purposes of evaluating future Global Plus 3 contracts for functional equivalency.

¹ Notice of the United States Postal Service of Filing Modification to Global Plus 3 Negotiated Service Agreement, June 27, 2016 (Notice). The Postal Service included a redacted version of the modification as Attachment 1 to the Notice.

² Docket Nos. MC2016-152 and CP2016-196, Order Adding Global Plus 3 to the Competitive Product List and Approval of Designation as Baseline Agreement, June 21, 2016, at 7 (Order No. 3378).

RESPONSE:

The Postal Service does not intend Article 44 to be incorporated into the baseline agreement for purposes of evaluating future Global Plus 3 contracts.

The modification was drafted and sent to the following three customers: the customer that signed the Global Plus 3 contract that is the subject of this docket, the customer that signed the Global Plus 3 contract that is the subject of Docket No. CP2016-221, and the customer that signed the Global Plus 1C contract that is the subject of Docket No. CP2016-215.

The Postal Service intends to include the modification in these three renewal contracts, because under the Global Plus 1C contracts that were the subject of Docket Nos. CP2015-66, CP2015-68, and CP2015-70 the contractholders were permitted to link.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S
INFORMATION REQUEST NO. 1**

Furthermore, the three contractholders for the agreements that are the subject of Docket Nos. CP2015-66, CP2015-68, and CP2015-70 currently have customer relationships with the Global Plus customer base, and have the capacity to continue linking under their renewal Global Plus agreements as they have done under the three Global Plus agreements currently in effect.

The Postal Service has already filed two of the three modifications, one in this docket, and one in Docket No. CP2026-215, and intends to file the third once the customer has signed the modification. The modification is a temporary, emergency measure to ensure consistency of service to customers who might, as of the expiration of the three current Global Plus 1C agreements, otherwise be unable to access discounted rates for IPA, ISAL, Commercial ePacket, PMI, and PMEI. The Postal Service is also filing a companion motion to accompany this response to seek clarity that the modifications for the Global Plus 3 contract that is the subject of this docket, the Global Plus 3 contract that is the subject of Docket No. CP2016-221, and the Global Plus 1C contract that is the subject of Docket No. CP2016-215, may go into effect on July 1, 2016, even while review of them is pending. Absent such clarification, there may be serious disruption in the market, because some customers will have contracts that go into effect on July 1, 2016, while others will not, and the resulting impact could be that some customers are unable to access discounted Global Plus rates absent the ability to link. The Postal Service accordingly urges the Commission to treat the modifications as effective on July 1, 2016.